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The

LIVESTOCK and MEAT SITUATION

LMS - 83

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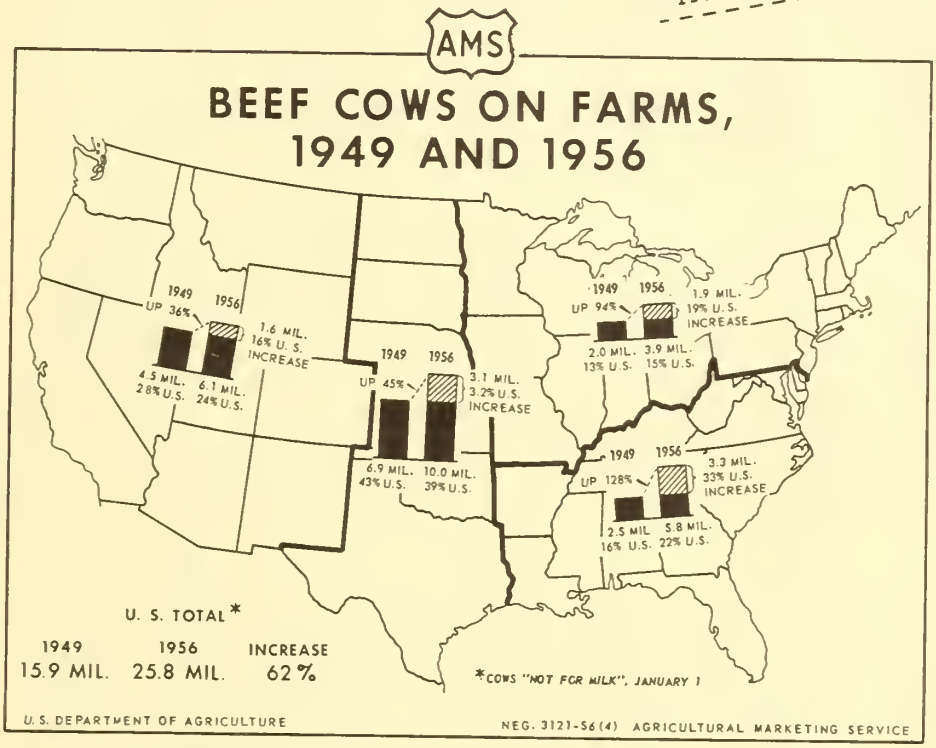


From 1949 to 1956 beef cow numbers in the United States increased 62 percent. Rate of growth was fastest in eastern regions, which more than doubled their numbers, and slowest in the West--the Plains, Mountain, and Pacific States. However, of the total increase of near 10 million head, East and West contributed about equally.

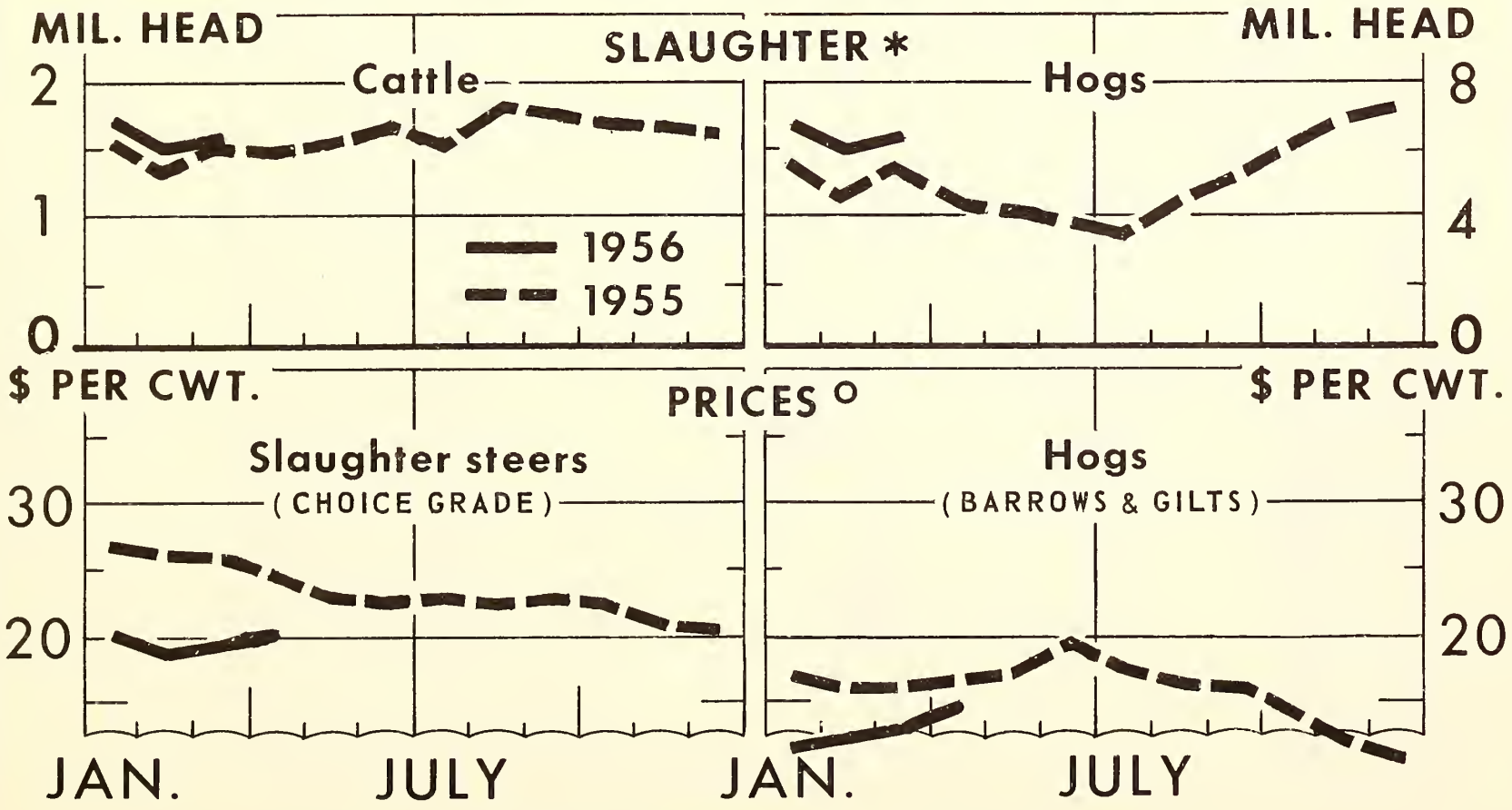
The West is still the leading beef cattle region. On January 1, 1956 it had 63 percent of the nation's total beef cows, though this is a reduction from 71 percent in 1949. The Southeast now has 22 percent of all beef cows, up from 16 percent in 1949.

Because numbers of milk cattle remained nearly stable, total cattle numbers increased more uniformly by regions and were not redistributed very much.

(See article, page 21.)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

SLAUGHTER AND PRICES OF CATTLE AND HOGS



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U. S. DEPARTMENT OF AGRICULTURE NEG. 678-56 (4) AGRICULTURAL MARKETING SERVICE

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, May 1, 1956

SUMMARY

Market supplies of both hogs and heavy fed cattle, large throughout the fall and winter, have turned downward. The reduction is partly seasonal. However, with fewer cattle reported on feed April 1 and fewer sows farrowing spring pigs, the overall level of livestock marketings will be lower than in past months. This is a significant let-up from past expansion. It is not a major reversal of trend. Hog production will remain less than in the past year but cattle production will continue large, as cow numbers are being fully maintained.

The number of cattle on feed in 14 States on April 1 was 8 percent less than in April 1955. The number of heavier cattle was about unchanged, promising a supply for slaughter in the near future about equal to a year ago. Most of the reduction was in cattle of the lighter weights, and unless a great many young stock are put on feed soon the supply of fed cattle for slaughter in late summer and early fall could be considerably below the large supplies of last year. Prices of fed cattle have strengthened recently and may continue gradually upward, regaining last year's level sometime in late summer or fall. Prices of grass cattle, however, will continue to be influenced by unsatisfactory feeding profits this past winter and may be slower to reach the prices of last year.

According to indications from hog producers in 9 States, spring farrowings for the United States probably are being reduced by somewhat more than the 2 percent planned earlier. In the same 9 States producers intend to reduce summer farrowings (the first half of the fall pig crop) 8 percent. From all evidence, a smaller fall pig crop seems likely this year than last.

Slaughter of hogs will remain above last year until mid-summer. Sometime after that it will drop to around last year's level, and then fall below last year. Prices are expected gradually to close the gap with last year's prices. They will probably average at least as high this fall as last, and not drop as low as late last year.

Production of meat in commercial establishments in January-March was up 11 percent from last year. By October-December it may be around 2 percent below the same months of 1955. The 1956 total output is forecast at 3 percent above 1955, and consumption per person at 162½ pounds compared with 161 pounds last year.

REVIEW AND OUTLOOK

Cattle, Hog Slaughter High in First 4 Months

Slaughter of cattle and hogs stayed large early in 1956. Commercial slaughter of hogs in January through April averaged about 16 percent above the same months last year. Cattle slaughter was 5 to 6 percent larger. Commercial output of meat was up 11 percent in the January-March quarter and probably 10 percent for January-April.

Hogs slaughtered so far this year have been the last of the 1955 spring pigs and the first part of the 1955 fall pig crop, plus some sows. Output of pork has not increased quite as much as the number of head slaughtered, as average weights have been about 6 pounds lighter. Weights of cattle, on the other hand, have averaged around 35 pounds heavier than last year. Many of the cattle slaughtered were fed steers carried over from last year and sold at exceptionally heavy weight. Steers sold at Chicago, Sioux City and Omaha in January-April averaged 1138 pounds, 55 pounds more than a year before.

Fed Cattle Supplies to be Smaller

By April the supply of heavy steers had begun to ease, and prices were up a bit. Receipts of all fed beef steers at 7 markets in April were about 12 percent less than in January. Usually April receipts exceed January.

Large marketings of fed cattle in preceding months together with slightly smaller placements on feed resulted in an 8 percent smaller inventory of cattle on feed April 1 this year than last. This was the first sizable reduction in cattle on feed from the previous year since January 1954. Numbers of heavier weight cattle on hand this April were about equal to last April. Reductions were chiefly in lighter weight animals.

The April 1 cattle on feed report indicates that marketings will continue sizable for a time, then drop below last year. Reinforcing this view is the likelihood that cattle will be sold at lighter weights this year than last and therefore go to market earlier.

Marketings of fed cattle this fall will probably be a little less than the very large numbers of last fall. This is likely despite the probability that many cattle will be moved into feedlots this summer as feeder cattle prices decline seasonally and fed cattle prices strengthen. But even if numbers of fed cattle should stay up, the total weight of fed beef will be down because average slaughter weights will be lighter.

Prices of Fed, Feeder Cattle Below Last Year

In late April prices of both fed cattle and feeder stock were below a year earlier. By a gradual advance, prices of Choice grade steers stand a good chance of regaining year-earlier levels by late summer to mid-fall. Prices of lower grades, including feeder stock, will probably decline seasonally and may be slower to return to the levels of a year ago. Spreads between prices of top and lower grades of cattle, which were unusually narrow last fall, will be wider this year.

The two factors underlying this outlook for feeder prices are unsatisfactory profits earned by feeders this past winter, and an expected large supply of stock off grass. Many feeders forced to sell on the depressed winter market realized unsatisfactory returns. Experience of this sort has in the past acted as a damper on demand for feeder stock for some time thereafter. The January 1 inventory of cattle included 1½ million more steers and beef calves than a year before. Only a part of the increased number will go to slaughter as fed steers and heifers. A sizable portion will be marketed and slaughtered as grass cattle. Total grass cattle slaughter will exceed last year.

On the other hand, if fed cattle prices improve as expected they will generate, after a time, some strength in the feeder cattle market. Also, slaughter demand for grass cattle, which produce the intermediate grades of beef, has improved the last few years. As another factor, developments in the weather will influence prices. Not only will conditions of ranges and pastures affect supplies of feeders and all grass cattle, but demand for feeders will be stronger if a large corn crop is in prospect rather than a small one.

Cow Slaughter Below 1955

All of the increase in commercial slaughter of cattle to date has been in steers and heifers. Inspected slaughter of cows for January-March was 8 percent below a year before. This apparently will be a year when inventories of young slaughter stock will be brought back in line with numbers of breeding stock. Any appreciable change in breeding stock numbers is less likely. This situation will be examined in a special article on page 23.

Range Conditions Fair

Range conditions in the Southern Plains have been subject to drought for several years. They have been a little better this year than a year ago, when they were critical until May-June rains appeared. However, moisture has again been deficient. Parts of the region are seriously dry, and the entire area will be sensitive to any continued shortage of rainfall.

In the Flint Hills of Kansas, leasing has been completed more slowly than last year. Fewer cattle are expected to move into the area this year. Surface moisture was adequate on April 1 but subsoil moisture was extremely deficient. Pond water is short in parts of the area. May-June rains will be necessary for a normal grazing season there.

Hog Slaughter on Seasonal Downtrend

Slaughter of fall-crop hogs reached its peak in early March. This was almost precisely the same time as in 1954 and 1955. However, the slaughter rate has fallen off a little faster this spring than last. Slaughter will continue above last year until marketings of fall pigs are ended, though by a smaller percentage than previously. Slaughter this summer will probably include at least as many sows as last summer.

Somewhere around the first of August slaughter of hogs will be down to the neighborhood of last year's rate. To the extent that the 1956 spring crop is reduced, slaughter in mid- to late fall will be less than last year.

Last December, producers planned a 2 percent reduction in spring farrowings. As prices of hogs continued in the doldrums they decided to reduce still more. Producers in 9 States reported March 1 that they had had 1 percent fewer farrowings in December-February than a year before and intended to have 9 percent fewer in March-May. Even though some other States, especially those in the South, will maintain farrowings better, the national total probably has been reduced somewhat more than 2 percent.

Prices for hogs will respond to the reduction in supply. Even though that reduction will not be great, the price improvement could be considerable. Prices of hogs declined more last fall than would normally be expected on the basis of the supplies of that time. This fall, both processor and consumer demand may be better prepared for the supply of hogs and pork. Yet, consumer demand for pork has been disappointingly weak the last few years and might continue so. Also, competitive supplies of beef, especially of the middle grades, will again be large. These latter factors, while secondary, will have some limiting effect. A conservative outlook is for hog prices this fall to average at least as high as last fall. It is very probable that they will be higher later in the year than at the same time in 1955.

Fall Pig Crop Expected to Decrease

The 1956 fall pig crop promises to be a little smaller than that of 1955. A low hog-corn price ratio, which caused a downturn in spring farrowings, has persisted and will influence farrowings this coming fall. Although prices of hogs had risen $4.50 per 100 pounds by May 1 from their December low, the price of corn also had increased. The April 15 United States hog-corn price ratio was 10.8, and the March-July ratio may average only 11 to 11.3 compared with the longtime average of slightly over 12. A ratio at this level normally results in a cut-back in farrowings (table 1).

Table 1.- Array of hog-corn price ratios for March-July, and corresponding changes in number of sows farrowing fall pigs, 1924-56

	Hog-corn ratio, March-July 1/		Number of sows farrowing in the fall	Increase or decrease from previous year in sows farrowing	
	United States	North Central States		Number	Percentage
			1,000 head	1,000 head	Percent
1926	18.0	20.3	4,330	391	9.9
1942	16.4	17.6	6,840	1,305	23.6
1954	16.1	16.4	5,014	535	11.9
1938	15.5	17.3	4,517	672	17.5
1949	15.4	15.9	5,568	498	9.8
1953	15.1	15.7	4,479	- 588	-11.6
1936	14.9	16.5	3,957	100	2.6
1947	13.8	14.2	4,866	162	3.4
1939	13.6	15.5	5,252	835	18.5
1943	13.6	14.6	7,565	725	10.6
1950	13.5	13.9	5,927	359	6.4
1941	13.3	14.1	5,535	772	16.2
1945	12.9	14.0	5,429	547	11.2
1951	12.8	13.0	5,955	28	.5
1927	12.8	13.5	4,609	279	6.4
1955	11.9	12.2	5,569	555	11.1
1930	11.8	13.2	4,073	- 191	- 4.5
1929	11.6	12.7	4,264	- 165	- 3.7
1931	11.4	13.0	4,797	724	17.8
1932	11.2	12.6	5,179	382	8.0
1956	2/11-11.3	---	---	---	---
1944	11.1	12.3	4,882	-2,683	-35.5
1952	10.8	11.1	5,067	- 888	-14.9
1933	10.8	12.9	5,207	28	.5
1925	10.8	11.8	3,939	- 405	- 9.3
1946	10.8	11.4	4,704	- 725	-13.4
1948	10.4	10.4	5,070	204	4.2
1935	10.1	10.8	3,857	921	31.4
1928	8.8	9.4	4,429	- 180	- 3.9
1940	8.5	9.2	4,763	- 589	-11.0
1937	8.5	8.6	3,845	- 112	- 2.8
1924	8.0	8.9	4,344	-1,448	-25.0
1934	6.9	8.0	2,936	-2,271	-43.6

1/ March-July is regarded as the breeding season for the fall pig crop.
2/ Estimated. April 1956 was 10.8 for the United States.

Farmers' plans as to production and storage of corn will have a bearing on fall farrowings. The support price on corn in the commercial corn area is now based on a national average of $1.50 per bushel to producers who comply with allotments and $1.25 to non-compliers. Outside the commercial area the rate is based on a national average of $1.12½ (calculated as 75 percent of $1.50). It is likely that these provisions of making supports available to all producers in the commercial area will increase the quantity of corn stored over that under the previous rules. Even though production might be increased a little the "free" supply would be smaller, tending to limit the number of hogs raised.

If both 1956 pig crops are reduced, prices of hogs in the first half of 1957 would be higher than this year. The price increase would be expected to be about enough to restore the hog-corn ratio to around average.

Lamb Prices Below Last Year

Prices of lambs increased seasonally during the winter but not as much as in either of the two preceding winters. Prices were not high enough to allow quite as much profit as in those seasons. Data from comparisons based on a standard 90-day feeding program show net returns over major expenses to have been the smallest since 1952-53 (table 2). Cost of feed per lamb was 67 cents less than last year, but the feeder lamb cost about the same while the fed lamb was sold for $1.72 less. Direct payments to be received in connection with the pulled wool program will make up part but not all the difference. Payment data as shown in table 2 are necessarily only rough estimates.

Returns on late-fed lambs were considerably greater than on those bought and sold early. This was the opposite of several recent years, when earlier feeding tended to be the more profitable.

Commercial slaughter of sheep and lambs in January-April totaled about 5 percent above last year. Slaughter the rest of 1956 will probably average very close to that of 1955, depending partly on the size of this year's lamb crop. The early spring crop was down 2 percent from last year.

Prices for lambs this past winter were without doubt depressed by the large total meat supply. As that supply becomes less burdensome, lamb prices may show relatively more strength. A seasonal decline is to be expected, as usual, but it may be moderate and might allow last year's prices to be reached sometime later in the year.

Table 2.- Average price and values of important items affecting returns from lamb feeding, 1950-55

Item	Feeding year beginning December					
	1950	1951	1952	1953	1954	1955
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Prices						
Choice and Prime slaughter lambs, Chicago, December-March, per 100 pounds	36.35	28.82	22.49	22.10	21.64	19.61
Good and Choice feeder lambs, Omaha, September-December, per 100 pounds	29.35	31.61	21.01	17.05	17.68	17.64
Corn, North Central States, October-March, per bushel	1.473	1.620	1.417	1.363	1.357	1.143
Alfalfa hay, received by farmers, North Central States, October-March, per ton	21.98	21.48	24.58	22.83	21.43	19.58
Receipts, per head						
Sale of Choice and Prime lamb, 85 pounds	30.90	24.50	19.12	18.78	18.39	16.67
Wool payment	---	---	---	---	---	1/.60
Total	30.90	24.50	19.12	18.78	18.39	17.27
Cost, per head						
Feeder lamb, 60 pounds	17.61	18.97	12.61	10.23	10.61	10.58
Corn, 2½ bushels	3.68	4.05	3.54	3.41	3.39	2.86
Alfalfa hay, 150 pounds	1.65	1.61	1.84	1.71	1.61	1.47
Total for items shown 2/	22.94	24.63	17.99	15.35	15.61	14.91
Margin, value over costs shown 2/	7.96	- .13	1.13	3.43	2.78	2.36

1/ Rough estimate based on April 1955-January 1956 prices received by growers for shorn wool.

2/ Does not include purchasing or marketing expenses, labor cost, death losses, overhead costs or costs of other feed ingredients, or credits for manure. The prices shown are averages for the lamb feeding season for the North Central region, and do not necessarily coincide with the experience of individual feeders.

Commercial Beef
Grade Revised

Revised Federal grade standards to become effective June 1 will divide the present Commercial grade of beef into two new grades designated as Standard and Commercial. The grade name Standard will be applied to beef from younger animals and Commercial will be retained for beef of mature animals falling in the present Commercial grade.

This revision, originally recommended by the Cattle and Beef Industry Committee, is designed to eliminate at least part of the merchandising problem arising from the wide range of maturity in the present Commercial grade. With its adoption there will be eight official grades of beef -- Prime, Choice, Good, Standard, Commercial, Utility, Cutter and Canner.

The Department of Agriculture has proposed that the Commercial grade of slaughter cattle be divided into two new grades comparable to the revised grades for carcass beef. The contemplated division for slaughter cattle, as in that for beef, would be on the basis of maturity. The grade name Standard would be applied to younger cattle and the name Commercial retained for mature cattle falling in the present Commercial grade.

Grade Standards Proposed
for Sows and Sow Carcasses

The Department has proposed Federal grade standards for slaughter sows and sow carcasses. The five grades proposed are the same designations as used for barrows and gilts -- U. S. No. 1, U. S. No. 2, U. S. No. 3, Medium, and Cull -- and the general characteristics of each grade also are similar. The U. S. No. 1 grade would include sows and carcasses with about the minimum finish required to produce pork cuts of acceptable palatability. The U. S. No. 2 and U. S. No. 3 grade would represent overfinish with resulting lower yields of lean and higher yields of fat. Medium and Cull would be underfinished grades producing pork with low palatability.

Interested persons should send their views and comments on the proposal to the Livestock Division, Agricultural Marketing Service, by June 27.

VE Eradicated in California

All known cases of the swine disease Vesicular exanthema (VE) have been stamped out in California and the last Federal quarantine in that State was lifted April 18. This action leaves only limited areas in 3 States, Connecticut, Massachusetts and New Jersey, under VE quarantine and the outlook for eventually clearing up these areas is encouraging.

The freeing of swine herds in California from VE climaxes a 24-year battle begun when first cases of infection were reported. The disease was largely confined to California until early in 1952 when it broke out in the Midwest. The first Federal quarantine was issued July 24, 1952 but new VE outbreaks continued, reaching a peak in February 1953 when new cases, involving more than 150,000 hogs, were reported in 27 States. Largely as a result of new State laws requiring garbage to be cooked before it is fed to swine and through aggressive control and eradication programs, spread of the VE virus was checked sharply in the spring of 1953. Continuation and extension of these programs has reduced the incidence of VE to its current low point.

USDA Suspends Pork and Lard Purchases; Bought 198 Million Pounds

The U. S. Department of Agriculture suspended early in April its special pork buying program inaugurated last November to encourage additional consumption of pork and give assistance to prices of hogs. During the 5 months the program was operative, approximately $99.5 million of Section 32 funds were expended for 159 million pounds of pork and 39 million pounds of lard. The pork purchased was equivalent to 5 percent of commercial production of pork for the period. A summary of purchases follows:

	Purchases Mil.lb.	Cost Mil.dol.
Canned pork		
Pork and gravy	88.1	58.6
Luncheon meat	40.0	17.6
Ham	23.3	14.7
Frozen pork		
Hams	2.7	1.3
Shoulders	4.0	1.4
Loins	.7	.3
Total pork	158.8	93.9
Lard	38.7	5.6
Pork and lard	197.6	99.5

Since mid-December, pork products purchased under the program have been moving into consumption through the School Lunch Program and welfare and institutional outlets. Orders already placed call for weekly deliveries from processors through the month of May. By mid-year much of the 159 million pounds of pork will already have been allocated for consumption.

World Hog, Cattle, Sheep Numbers at New Records

World numbers of hogs, cattle and sheep increased slightly in 1955, to a new record. According to reports of the Foreign Agricultural Service, hog numbers are 27 percent above prewar and cattle and sheep numbers are each up 22 percent. Sheep numbers are particularly high in South America and Africa.

Table 3.- Canned meat: Supply and distribution, 1937-55

Year	Federally inspected production 1/	Imports: Canned beef 2/	Imports: Canned pork 3/	Beginning stocks 4/	Commercial exports and shipments 5/	Ending stocks 4/	USDA purchases 6/	Military purchases 7/	Apparent civilian disappearance 8/: Total	Apparent civilian disappearance 8/: Per capita
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Pounds
1937	308.1	88.1	43.1	---	21.9	---	---	---	417.4	3.2
1938	303.5	78.6	40.6	---	22.8	---	---	---	399.9	3.0
1939	406.8	85.9	36.6	---	23.9	---	---	---	505.4	3.8
1940	530.2	61.3	1.2	---	20.2	---	---	---	572.5	4.3
1941	883.9	104.3	.7	---	26.7	---	188.4	75.5	698.3	5.2
1942	1,926.6	91.6	.5	---	19.8	---	875.6	920.5	202.8	1.5
1943	2,051.2	105.5	2.3	---	9.9	---	1,024.8	680.5	443.8	3.4
1944	1,930.7	87.7	.2	---	13.2	---	448.6	1,121.0	435.8	3.3
1945	1,926.1	54.8	9/	17.7	13.5	18.1	359.6	970.9	636.5	4.9
1946	1,342.8	3.3	.2	18.1	55.3	22.6	157.1	19.2	1,110.2	7.9
1947	1,099.4	28.7	9/	22.6	64.3	27.3	---	31.1	1,028.0	7.1
1948	1,096.0	129.1	.2	27.3	35.4	28.0	---	52.8	1,136.4	7.7
1949	1,039.7	72.3	1.6	28.0	25.7	27.2	---	23.0	1,065.7	7.1
1950	1,231.3	124.6	18.6	27.2	20.0	27.3	---	50.3	1,304.1	8.6
1951	1,441.2	153.9	30.8	27.3	20.6	34.6	---	246.2	1,351.8	8.8
1952	1,351.2	120.0	53.8	34.6	18.7	37.1	---	57.8	1,446.0	9.3
1953	1,437.4	100.1	97.4	37.1	10/29.0	34.0	---	50.5	11/1,558.5	11/9.8
1954	1,441.0	85.2	113.2	34.0	10/32.5	54.0	---	33.6	1,553.3	9.6
1955	1,507.9	87.1	106.9	54.0	21.6	36.6	---	38.0	11/1,659.7	11/10.1

1/ Beef, pork, sausage, all other, excluding soup. Data from Meat Inspection Branch, ARS. 2/ Data from Department of Commerce. 3/ Federally inspected for entry. Data from Meat Inspection Branch, ARS. 4/ Refrigerated stocks only. 5/ Includes shipments to Territories. Excludes shipments under lend-lease and UNRRA (1941-46) and the Civilian Supply Programs of the U. S. Department of the Army in foreign countries (1948-51). Data from Department of Commerce. 6/ Canned meats and meat food products officially graded for CCC. Does not include USDA purchases in 1953-55. 7/ From Statistical Yearbook of the Quartermaster Corps and other military records. 8/ Calculated from federally inspected supplies and distribution as shown. Federally inspected production is the largest part of total U. S. production of canned meats. 9/ Less than 50,000 pounds. 10/ Includes small quantities of canned beef and gravy procured by USDA and shipped abroad by CARE. 11/ Includes canned meat bought by the Department of Agriculture for school lunches and eligible institutions.

NEW OR REVISED SERIES

Canned Meat Output up Again

Production of canned meat under Federal inspection increased in 1955 for the third successive year, attaining a new high (table 3). Consumption per person surpassed 10 pounds for the first time.

Wool, Mohair Receipts

Farmers' cash receipts from mohair increased substantially in 1955, as average prices received by farmers advanced to 82 cents from 72 cents in 1954 (table 5). Receipts from wool, however, decreased. Wool prices were considerably lower than in 1954. Data on value of sales for 1955 in table 4 do not include payments due from the wool incentive program. The payments will make up the difference between actual prices received and a national average of 62 cents per pound, and will more than offset the decrease in value of sales.

Data on Farmers' Prices

Tables 6 and 7 present revised data on prices received for meat animals, including parity prices. Data on production and income from meat animals usually included in this issue will be published later, after revisions from 1950 to date are released.

FOREIGN TRADE IN MEAT ANIMALS AND THEIR PRODUCTS

Over the years vast changes have taken place in the make-up of United States export and import trade in meat animals and their products. Trade in live animals and bulk fresh and cured meats has decreased, and trade today consists to a large extent of byproducts and various specialty products.

In 1955, 248,000 cattle and calves were imported from Mexico. This was the most in several years and reflected the opening of the Mexico-United States border on January 1, 1955 (table 8). Imports in 1956 will probably be less. Only 67,000 head were received from Canada last year. This is much below the 200,000 to 450,000 imported in earlier years, other than those when trade was restricted.

Imports of beef decreased in 1955. An even larger part than in 1954 was canned beef from Argentina (lower section, table 9). Pork imports also decreased with Canada remaining the largest single supplier. Exports of beef and pork increased (upper section, table 9).

Beef and pork made up the largest part of the value of all imports of meat animals and their products in 1955 -- 143 million dollars out of a total of 241 million (table 10 and chart, page 18). This was mostly canned beef and canned hams, products that can be classed as virtually specialties. Canned hams from Europe commonly sell at a price premium over domestic hams.

Table 4.- Production, prices and income from wool, United States, 1946-55

Year	Shorn wool					Pulled wool production
	Number sheep shorn 1/	Weight per fleece	Production	Price per pound 2/	Cash receipts	
	1,000 head	Pounds	1,000 pounds	Cents	1,000 dollars	1,000 pounds
1946	34,647	8.11	280,908	42.3	118,805	61,300
1947	30,953	8.12	251,425	42.0	105,654	56,600
1948	28,649	8.09	231,770	49.2	114,055	46,600
1949	26,382	8.07	212,899	49.4	105,223	35,600
1950	26,380	8.22	216,944	62.1	134,623	32,400
1951	27,347	8.34	228,091	97.1	221,456	25,900
1952	28,051	8.32	233,309	54.1	126,327	33,600
1953	27,845	8.34	232,258	4/ 54.9	127,514	42,200
1954	27,692	8.52	235,807	4/ 53.2	125,538	43,500
1955 3/	27,327	8.54	233,370	5/ 44.0	6/102,591	41,600

1/ Includes sheep shorn at commercial feeding yards.
2/ Average price received by farmers for the marketing season April through March.
3/ Preliminary.
4/ Includes an allowance for loan wool.
5/ Weighted average price for wool sold April 1955 through January 1956.
6/ 1955 production multiplied by April-January average price.

Table 5.- Mohair: Production and value for 7 leading States, 1946-55 1/

Year	Number goats clipped 2/	Average clip per goat	Production of mohair	Price per pound	Value
	1,000 head	Pounds	1,000 pounds	Cents	1,000 dollars
1946	3,939	4.9	19,282	61.1	11,783
1947	3,672	5.0	18,225	53.6	9,772
1948	3,164	5.1	15,972	45.4	7,251
1949	2,558	5.1	12,959	46.3	6,001
1950	2,530	5.2	13,245	76.0	10,062
1951	2,472	5.2	12,892	118.0	15,187
1952	2,287	5.3	12,215	96.3	11,763
1953	2,337	5.5	12,757	87.7	11,387
1954	2,618	5.6	14,578	72.4	10,549
1955 3/	2,983	5.7	16,923	82.2	13,912

1/ States are Missouri, Texas, New Mexico, Arizona, Utah, Oregon and California.
2/ In States where goats are clipped twice a year the number clipped is the sum of goats and kids clipped in the spring and kids clipped in the fall.
3/ Preliminary.

Table 6.- Price per 100 pounds received by farmers for meat animals by class, and hog-corn price ratio, United States, by months, 1955-56

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Weighted average
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Beef cattle													
1955	16.00	16.20	16.40	16.70	16.30	16.40	16.10	15.70	15.60	15.20	14.00	13.50	15.60
1956	13.90	14.00	14.40	15.00									
Calves													
1955	17.10	17.80	17.30	17.50	17.10	17.30	16.80	16.70	16.50	16.40	15.50	15.80	16.70
1956	16.80	17.00	16.70	16.80									
Hogs													
1955	16.80	16.30	15.50	16.60	16.40	17.70	16.40	15.70	15.70	14.50	12.10	10.60	15.00
1956	10.90	12.00	12.30	14.30									
Sheep													
1955	6.24	6.69	6.92	6.72	5.93	5.77	5.56	5.59	5.58	5.63	5.60	5.69	5.87
1956	5.78	6.00	6.28	6.28									
Lambs													
1955	18.60	19.40	19.90	19.50	18.40	19.90	18.70	18.40	17.70	17.50	17.20	16.50	18.40
1956	17.10	17.70	18.10	18.20									
	Hog-corn ratio (in units)												
United States 1/													
1955	12.0	11.6	11.4	12.2	11.7	12.6	11.7	12.1	12.7	12.7	11.1	9.2	2/11.8
1956	9.4	10.2	10.2	10.8									
Chicago													
1955	11.0	10.8	11.0	11.6	11.6	13.2	12.1	12.5	12.4	12.2	10.4	8.6	2/11.4
1956	9.2	9.8	9.8										

1/ United States, based on prices received by farmers for all hogs. 2/ Unweighted average.

Revises and brings to date table 13 of this Situation released March 2, 1956.

Table 7.- Price per 100 pounds received by farmers, parity price, and price received as percentage of parity, meat animals, 1937 to date 1/

Year	Beef cattle			Veal calves			Hogs			Lambs			Sheep		
	Price received by farmers 2/	Parity price 3/	Price received as percentage of parity	Price received by farmers 2/	Parity price 3/	Price received as percentage of parity	Price received by farmers 2/	Parity price 3/	Price received as percentage of parity	Price received by farmers 2/	Parity price 3/	Price received as percentage of parity	Price received by farmers 2/	Parity price 3/	Price received as percentage of parity
	Dol.	Dol.	Pct.	Dol.	Dol.	Pct.	Dol.	Dol.	Pct.	Dol.	Dol.	Pct.	Dol.	Dol.	Pct.
1937	7.01	7.15	98	8.11	8.91	91	9.73	9.60	101	8.77	7.76	113	4.43	5.99	74
1938	6.57	6.83	96	7.92	8.50	93	7.80	9.16	85	7.10	7.41	96	3.61	5.71	63
1939	7.13	6.67	107	8.40	8.30	101	6.31	8.94	70	7.77	7.23	108	3.90	5.58	70
1940	7.48	6.72	111	8.85	8.37	105	5.42	9.01	60	8.10	7.29	111	3.97	5.64	70
1941	8.75	7.10	123	10.40	8.84	117	9.14	9.52	96	9.46	7.70	123	4.95	5.94	83
1942	10.60	8.08	132	12.40	10.10	124	13.10	10.80	121	11.50	8.76	132	5.67	6.74	84
1943	12.00	8.67	139	13.60	10.80	126	13.80	11.60	119	13.10	9.41	139	6.67	7.26	92
1944	11.00	9.11	121	12.70	11.30	112	13.10	12.20	108	12.70	9.88	129	6.18	7.59	82
1945	12.20	9.27	132	13.30	11.50	115	14.10	12.40	113	13.20	10.10	131	6.44	7.76	83
1946	14.40	10.40	139	15.10	12.90	117	17.30	13.90	124	15.40	11.20	137	7.30	8.65	84
1947	18.50	12.50	148	20.30	15.50	131	24.20	16.70	145	20.40	13.50	152	8.41	10.40	81
1948	22.40	13.40	167	24.40	16.70	146	23.30	18.00	129	22.70	14.60	156	9.60	11.20	85
1949	19.90	13.10	152	23.00	16.30	140	18.30	17.60	104	22.70	14.20	159	9.45	11.00	86
1950	23.10	17.40	133	26.00	19.50	134	18.20	19.20	95	24.80	19.10	129	11.40	10.70	105
1951	28.80	19.70	146	32.10	22.10	146	20.20	21.30	95	31.20	21.70	144	16.30	11.10	147
1952	24.80	21.00	118	27.20	23.50	115	18.00	21.40	84	24.70	23.10	107	10.60	10.70	99
1953	16.60	21.00	79	17.60	23.40	75	21.60	20.20	107	19.70	22.80	86	6.93	10.40	66
1954	16.00	21.10	76	16.70	23.30	72	21.90	20.70	106	19.30	23.00	84	6.24	10.30	61
1955	15.70	21.20	74	16.80	23.30	72	15.40	21.20	72	18.50	23.30	79	5.99	10.10	60

1/ Parity prices for meat animals through 1949 are computed from the standard formula in effect prior to January 1, 1950. They are not affected by the revisions of January 1950. Parity prices for 1950-55 are effective parity as currently published.

2/ Unweighted average of prices, by months.

3/ Through 1949, based on index of prices paid, interest and taxes as revised January 1950.

Table 8.- Imports of cattle from Canada and Mexico, 1944 to date

Year	Dutiable Cattle					Breeding cattle (free)	Total cattle
	700 pounds and over		Under 700 pounds		Total dutiable cattle		
	Cows for dairy purposes	Other	Under 200 pounds	200 to 699 pounds			
	Head	Head	Head	Head	Head	Head	Head
From Canada							
1944	33,624	164	5,551	1,038	40,377	16,748	51,125
1945	43,919	77	8,427	1,535	53,958	22,163	76,121
1946	64,737	182	9,345	3,113	77,377	41,919	119,296
1947	43,912	95	7,642	1,372	53,021	29,869	82,890
1948 1/	84,275	214,645	23,571	96,335	418,826	42,853	461,679
1949	49,061	194,916	41,535	126,614	412,126	21,332	433,458
1950	46,591	173,000	38,985	179,709	438,285	22,610	460,895
1951	35,600	117,455	15,609	51,103	219,767	19,120	238,887
1952 2/	4,636	4,244	714	968	10,562	2,222	12,784
1953 3/	21,811	22,931	3,515	896	49,153	20,757	69,910
1954	17,633	46,798	2,872	3,377	70,680	15,259	85,939
1955	25,252	17,543	3,256	2,218	48,269	18,334	66,603
From Mexico							
1944	0	25,531	310	275,259	301,100	26	301,126
1945	62	41,917	1,315	392,132	435,426	9	435,435
1946 4/	1,348	25,714	708	410,552	438,322	152	438,474
1947 5/	0	792	0	638	1,430	---	1,430
1948	---	---	---	---	---	---	---
1949	---	---	---	---	---	---	---
1950	---	---	---	---	---	---	---
1951	---	---	---	---	---	---	---
1952 6/	2,381	43,617	96	81,185	127,279	---	127,279
1953 7/	175	25,364	485	101,901	127,925	2	127,927
1954	---	---	---	---	---	---	---
1955 8/	1,424	56,153	539	189,631	247,747	---	247,747

1/ Wartime restrictions lifted Aug. 16, 1948. 2/ Imports prohibited beginning Feb. 15, 1952 due to outbreak of foot-and-mouth disease in Canada. 3/ Embargo removed March 1, 1953. 4/ Imports prohibited beginning Dec. 27, 1946 due to outbreak of foot-and-mouth disease in Mexico. 5/ Cattle imports shown in 1947 actually entered the United States in Dec. 1946 after the customs office closed its books. 6/ Embargo removed Sept. 1, 1952. 7/ Imports prohibited beginning May 23, 1953 following an outbreak of foot-and-mouth disease. 8/ Embargo removed Jan. 1, 1955.

Foreign Agricultural Service. Compiled from Foreign Commerce and Navigation of the United States and official records of the Bureau of the Census.

Table 9.- United States foreign trade in meat, by countries, 1954 and 1955

Product and year	Exports and shipments, product weight									Total exports and shipments	
	Exports, by destination								Shipments to Territories 1/	Product weight	Carcass weight equivalent
	Canada	Netherlands	West Germany	Mexico	Cuba	Venezuela	All other	Total			
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Beef and veal											
1954	12.2	0.1	2.6	0.1	0.1	0.6	18.1	33.8	9.4	43.2	58
1955	14.0	.1	.1	.3	.2	.3	25.7	40.7	11.9	52.6	68
Lamb and mutton											
1954	.6	---	---	2/	2/	2/	.2	.8	---	.8	2
1955	.2	---	---	2/	2/	2/	.2	.4	---	.4	1
Pork											
1954	.1	9.2	11.9	1.3	19.6	1.8	9.0	52.9	39.0	91.9	105
1955	2/	7.6	14.7	2.6	29.7	2.1	9.6	66.3	45.8	112.1	126
Total meat 3/											
1954	13.5	9.3	14.5	1.7	20.0	3.5	37.4	99.9	61.2	161.1	165
1955	14.8	7.6	14.8	3.4	30.3	3.4	43.6	117.9	73.3	191.2	195

Product and year	Imports										
	Product weight, by country of origin										Total imports, carcass weight equivalent
	Canada	Netherlands	Denmark	Poland	West Germany	Argentina	Uruguay	Mexico	All other	Total	
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
Beef and veal											
1954	7.7	2/	---	---	2/	64.5	24.3	18.1	11.1	125.7	226
1955	8.0	2/	---	---	2/	86.5	1.3	10.4	12.3	118.5	222
Lamb and mutton											
1954	2/	---	---	---	---	---	---	---	4/2.1	2.1	2
1955	.2	---	---	---	---	---	---	---	4/2.1	2.3	2
Pork											
1954	66.9	42.3	23.1	20.3	15.6	2/	---	2/	2.1	170.3	184
1955	64.3	33.0	24.0	24.9	13.2	---	---	2/	2.8	162.2	175
Total meat											
1954	74.6	42.3	23.1	20.3	15.6	64.5	24.3	18.1	15.3	298.1	412
1955	72.5	33.0	24.0	24.9	13.2	86.5	1.3	10.4	17.2	283.0	399

1/ Guam, Puerto Rico and Virgin Islands. 2/ Less than 500,000 pounds. 3/ Includes sausage, bologna and frankfurters canned and not canned, sausage ingredients, meat and meat products canned n.e.c., and canned baby food. 4/ Nearly all imports from Australia.

All data from official records of the Bureau of the Census.

Exports of meat animals and their products in 1955 exceeded the value of imports by 76 million dollars. Foremost among exports are the fat and oil byproducts of livestock slaughter -- lard and the tallows and greases. Exports of lard last year were 562 million pounds. An additional 57 million pounds were shipped to Territories. Exports of tallow and grease were 1.3 billion pounds. Exports of variety meats such as liver and hearts now rival in value those of beef and veal. The few live animals exported are chiefly breeding stock, with a high value per head.

VALUE OF UNITED STATES EXPORTS AND IMPORTS OF LIVESTOCK, MEAT AND MEAT PRODUCTS, 1955

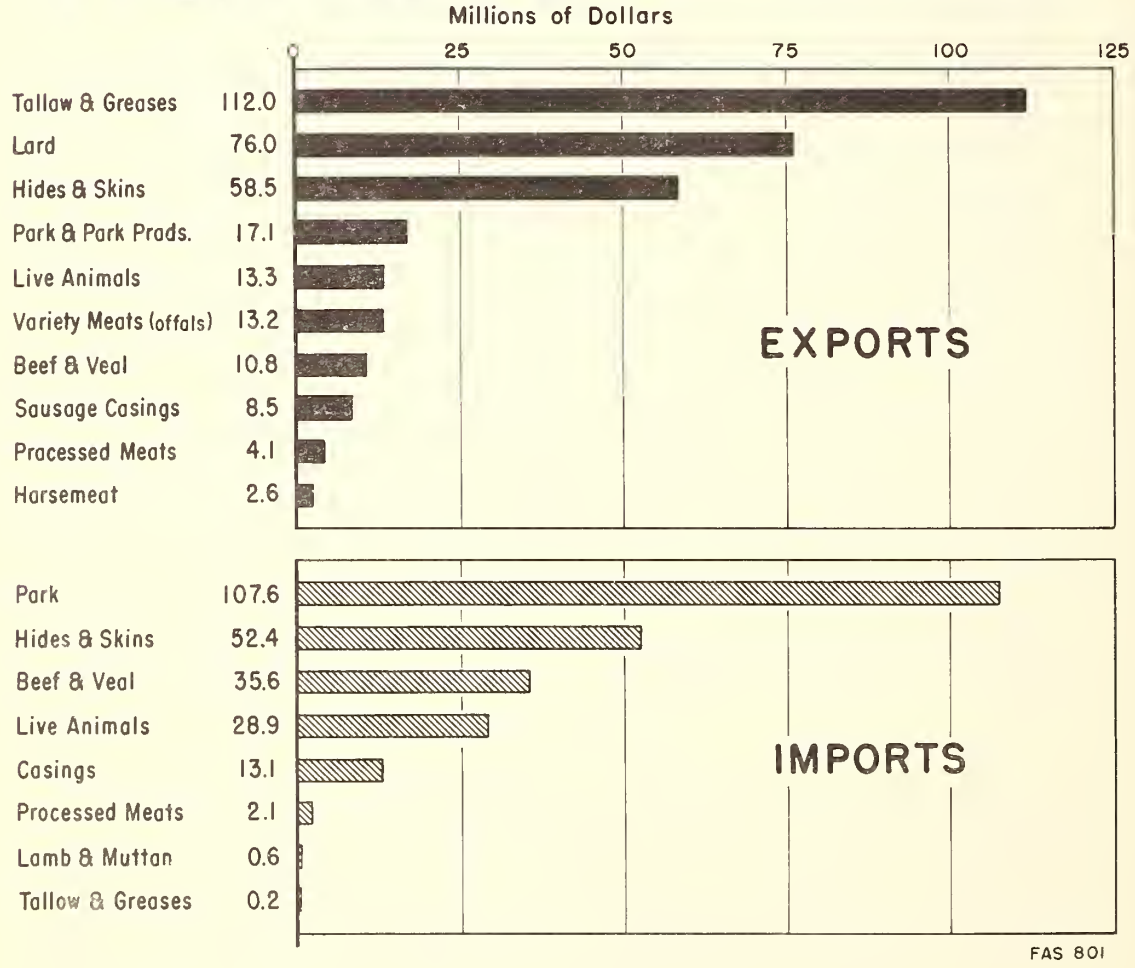


Table 10.- United States foreign trade in livestock and meat products, quantity and value, 1955

Item	Exports		Imports	
	Quantity 1/	Value	Quantity 1/	Value
	Mil.lb.	Mil.dol.	Mil.lb.	Mil.dol.
Beef and veal	40.7	10.8	118.5	35.6
Pork and pork products	66.3	17.1	162.2	107.6
Lamb and mutton	.4	.2	2.3	.6
Processed meats	10.5	4.1	5.3	2.1
Variety meats (offals)	69.5	13.2	.3	.1
Lard	562.1	76.1	2/	3/
Tallow and greases	1,328.3	112.0	3.2	.2
Casings	19.0	8.6	12.7	13.1
Horsemeat	13.5	2.6	---	---
Hides and skins		58.5		52.4
	Mil. head		Mil. head	
Live animals				
Cattle and calves	34.9	12.4	314.4	28.5
Sheep and lambs	26.1	.5	7.6	.2
Hogs	4.4	.4	4/ 6.6	.3
Total		316.5		240.8

1/ Weights are product weight. 2/ Less than 50,000 pounds. 3/ Less than 50,000 dollars. 4/ Equivalent 200 pound hogs.

Foreign Agricultural Service, United States Foreign Trade in Livestock, Meat and Meat Products, Foreign Agriculture Circular, FLM 3-56, March 16, 1956.

RANK OF STATES IN MEAT ANIMAL PRODUCTION, 1955

Table 11 ranks the 48 States according to the liveweight of livestock production on farms in 1955. These data pertain to the weight of each species produced, including the weight added on stock brought into a State for feeding. As may be expected, Iowa stands high -- first in hogs, second in cattle, and fifth in sheep and lambs. Texas is at the top in both cattle and sheep, though its respective margins over Iowa and California have become small.

This table is a companionpiece to similar tables for January 1956 inventories of cattle and sheep and for 1955 pig crops presented as tables 9 and 10 of the March 2 issue of this Situation.

One interesting change shown in those tables, not previously commented on, is Florida's loss of its leading position in number of beef cows for States east of the Mississippi River. Louisiana now holds that spot, and ranks tenth nationally. Florida is twelfth.

Table 11.- Rank of States in liveweight of farm production of meat animals, 1955 1/

Rank	Cattle and calves		Sheep and lambs		Hogs	
	State	Production	State	Production	State	Production
		Mil.lb.		Mil.lb.		Mil.lb.
1	Texas	2,464	Texas	134	Iowa	4,699
2	Iowa	2,334	California	122	Illinois	2,494
3	Nebraska	1,860	Wyoming	97	Indiana	1,610
4	Kansas	1,559	Colorado	93	Minnesota	1,538
5	Illinois	1,392	Iowa	91	Missouri	1,317
6	California	1,232	Idaho	90	Nebraska	1,022
7	Minnesota	1,219	Montana	89	Ohio	1,006
8	Missouri	1,198	Utah	76	Wisconsin	826
9	South Dakota	1,143	South Dakota	69	South Dakota	688
10	Oklahoma	1,091	Minnesota	69	Georgia	394
11	Wisconsin	1,062	Ohio	65	North Carolina	366
12	Montana	801	Missouri	55	Kentucky	359
13	Indiana	701	Oregon	53	Tennessee	358
14	Colorado	671	Illinois	48	Kansas	341
15	North Dakota	636	New Mexico	47	Texas	325
16	Ohio	628	Kentucky	43	Alabama	292
17	Mississippi	520	Nebraska	42	Michigan	286
18	New York	483	North Dakota	38	Virginia	205
19	Michigan	476	Kansas	36	Pennsylvania	199
20	Kentucky	461	Indiana	35	North Dakota	169
21	Louisiana	454	Michigan	24	Oklahoma	168
22	Alabama	434	Virginia	22	Mississippi	159
23	Pennsylvania	428	Washington	21	South Carolina	142
24	Oregon	422	West Virginia	21	Arkansas	129
25	Idaho	420	Arizona	21	California	113
26	Arkansas	409	Nevada	21	Florida	100
27	Tennessee	400	Tennessee	18	Louisiana	94
28	Washington	349	Wisconsin	15	Maryland	71
29	New Mexico	347	Oklahoma	12	Colorado	56
30	Wyoming	337	Pennsylvania	10	Oregon	55
31	Florida	330	New York	9	West Virginia	55
32	Georgia	330	Mississippi	4	New York	53
33	Virginia	318	Louisiana	3	Montana	48
34	Arizona	249	Maryland	3	Washington	47
35	Utah	221	North Carolina	3	Massachusetts	36
36	North Carolina	196	Alabama	3	New Jersey	36
37	Nevada	161	Arkansas	3	Idaho	35
38	West Virginia	134	Maine	1	New Mexico	16
39	South Carolina	127	Georgia	1	Utah	15
40	Maryland	121	New Jersey	1	Delaware	11
41	Vermont	79	Massachusetts	1	Wyoming	10
42	New Jersey	51	New Hampshire	1	Arizona	7
43	Maine	45	Connecticut	2/	Maine	6
44	Connecticut	36	Vermont	2/	Connecticut	6
45	Massachusetts	30	South Carolina	2/	Nevada	4
46	New Hampshire	24	Delaware	2/	New Hampshire	4
47	Delaware	14	Florida	2/	Vermont	4
48	Rhode Island	3	Rhode Island	2/	Rhode Island	3
	United States	28,402		1,612		19,973

1/ Liveweight produced during year by livestock on farms. Preliminary data.

2/ Less than 500,000 pounds.

REGIONAL INCREASES IN CATTLE NUMBERS

Since January 1949 the number of cattle on farms has increased 21 million head. This cyclical expansion has been almost entirely in beef cattle, as dairy cattle inventories have been nearly stable. Expansion has been most rapid in the South and Southeast where the beef cow has displaced cotton and other crops.

Table 12 and the cover chart compare rates of increase and regional distributions of the increases and of total numbers. They make clear the faster rate of growth of beef cow numbers in the East. In five of the six eastern type-of-farming regions, numbers more than doubled between 1949 and 1956. In the remaining region, the Central Corn Belt, the increase was 89 percent. For the Northeast as a whole -- from Missouri to Maine -- the expansion in beef cows was 94 percent. For the Southeast it was even more -- 128 percent.

In the West -- defined here as the Plains, Mountain and Pacific States-- the growth was slower. Ranging between 30 and 61 percent for the four type-of-farming regions, it averaged 45 percent in the Plains and 36 percent in the combined Mountain and Pacific areas.

But despite its slower rate of growth, the West contributed half the total 1949-56 increase in beef cow numbers and still had, on January 1, 1956, almost two-thirds of United States numbers. The dominance of the Plains shows up clearly in the data. Even though drought recurred in the southern part, the Plains contributed 32 percent of the 7-year increase in beef cows and still has 39 percent of the national total. That is, two of every five beef cows in the United States are in the six States from North Dakota to Texas. The Mountain and Pacific States have dropped to 24 percent of all beef cows.

About 33 percent of the 1949-56 expansion in beef cows was in the Southeast, which lifted its portion of the total from 16 to 22 percent.

For all cows -- beef and milk combined -- and all cattle and calves the East holds a higher position, since milk cows are highly concentrated in the States from Minnesota to New England. The Northeast now has 36 percent of all cattle. The Plains, however, have a sizable 27 percent. The Southeast has only 19 percent, and the Mountain and Pacific States, 18 percent.

In summary, the West has lost ground to the East in beef cattle but retains dominance. The East remains on top in milk cattle. But milk cattle numbers have not increased, their stability doing much to make the Eastern expansion in beef cattle possible. Also, stable numbers of milk cattle in the East, where they equal beef cattle in number, hold the Eastern increase in all cattle to only slightly more than the rate of growth in the West, where beef outnumber milk cattle 4½ to 1. Thus little regional redistribution in the number of all cattle and calves has taken place; the apportionment between regions is about the same in 1956 as it was in 1949. The Northeast has lost and Mountain and Pacific West has gained one percentage point. The Southeast has gained two points and the Plains have lost the same number. These changes are scarcely significant.

Table 12.- Number of cows and all cattle on farms January 1, by type-of-farming region, 1949 and 1956, and percentage distribution of United States numbers and increases

(Data for cover page chart)

Type-of-farming region	1949	1956	Percentage increase 1949-56	Percentage of U. S. total increase	Percentage of Jan. 1 U.S. inventory	
					1949	1956
	1,000 head	1,000 head	Percent	Percent	Percent	Percent
			Beef cows			
North Atlantic	54	141	161	1	1/	1
Lake	222	496	123	3	2	2
Central Corn Belt	1,719	3,241	89	15	11	12
Northeastern	1,995	3,878	94	19	13	15
Appalachian	613	1,429	133	8	4	6
Southeastern	980	2,164	121	12	6	8
Delta	951	2,202	132	13	6	8
Southeastern	2,544	5,795	128	33	16	22
Northern Plains	2,946	4,756	61	19	18	19
Southern Plains	3,969	5,252	32	13	25	20
Plains	6,915	10,008	45	32	43	39
Mountain	3,410	4,434	30	10	21	17
Pacific	1,055	1,643	56	6	7	7
Western	4,465	6,077	36	16	28	24
United States	15,919	25,758	62	100	100	100
			All cows			
North Atlantic	3,331	3,634	9	3	8	7
Lake	5,065	5,565	10	5	13	11
Central Corn Belt	6,676	7,685	15	11	17	16
Northeastern	15,072	16,884	12	19	38	34
Appalachian	3,220	4,079	27	9	8	8
Southeastern	2,025	3,255	61	13	5	7
Delta	2,215	3,532	59	15	6	7
Southeastern	7,460	10,866	46	37	19	22
Northern Plains	4,881	6,477	33	17	12	13
Southern Plains	5,690	6,537	15	9	14	14
Plains	10,571	13,014	23	26	26	27
Mountain	4,252	5,228	23	11	11	11
Pacific	2,426	3,084	27	7	6	6
Western	6,678	8,312	24	18	17	17
United States	39,781	49,076	23	100	100	100
			All cattle and calves			
North Atlantic	5,140	5,607	9	2	7	6
Lake	8,646	10,326	19	8	11	11
Central Corn Belt	14,567	18,956	30	22	19	19
Northeastern	28,353	34,889	23	32	37	36
Appalachian	5,671	7,120	26	7	7	7
Southeastern	3,622	5,747	59	10	5	6
Delta	3,697	5,950	61	11	5	6
Southeastern	12,990	18,817	45	28	17	19
Northern Plains	11,562	14,617	26	15	15	15
Southern Plains	10,438	11,830	13	7	14	12
Plains	22,000	26,447	20	22	29	27
Mountain	8,776	10,775	23	9	11	11
Pacific	4,711	6,537	39	9	6	7
Western	13,487	17,312	28	18	17	18
United States	76,830	97,465	27	100	100	100

1/ Less than 0.5 percent.

WHERE IS THE CATTLE CYCLE HEADED?

By Harold F. Breimyer

The cycle in numbers of cattle on farms has been one of the most reliable patterns in agriculture. Since 1880 cattle inventories have gone up six times. After expansions varying from 6 to 8 years they have turned downward without fail. The current cycle started its upward course in 1949. In January 1956 it made its seventh increase, as the sizable expansion in slaughter to that date was not sufficient to stop it.

Its future course is a question of importance because production of cattle is a long range, high investment enterprise. To the producer especially the long run outlook is of vital significance.

The cycle does not have to turn downward on schedule. Some authorities have suggested that this one will continue upward until drought or an extreme price break forces liquidation of herds. If both come at one time, as they did in 1934, the cyclical turn could be sudden and the consequences drastic.

Evolution of a Typical Cycle

Briefly, a typical cycle begins with an increased demand for breeding stock to expand herds. Prices of breeding stock soar, and the producing (cow-and-calf) enterprise becomes especially profitable. As cows, heifers and calves are held back, only steers are marketed in large numbers for slaughter. Later when calves from enlarged breeding herds reach maturity, total slaughter increases. Prices break, often severely. Declines are sharpest for breeding stock, and least for high grade fed cattle. The producing enterprise becomes relatively unprofitable, more cows are slaughtered and a scramble ensues to expand the feeding business. Both cow and calf slaughter are larger, cow herds are reduced, and the calf crop becomes smaller. Ultimately total slaughter decreases and prices turn upward, initiating a new cycle.

The present cycle has gone through many of these stages. Prices are now less than half their 1951 high. Slaughter of calves has risen 45 percent and of cows, 66 percent. The breeding business has lost its advantage and feeding has expanded.

Yet, the cycle has not turned downward. Reasons include the unprecedented strength of consumer demand for beef, generally declining prices of feed, less critical financial position of producers in this than previous cycles, and improvements in efficiency which have resulted in amazingly large calf crops relative to the size of the national cow herd. This last factor is especially important. Without the technological progress in increasing calving rates, and assuming cow herds as of the same size as they actually have been, the present cycle would now be on a decline. For instance, if the calf crop had borne in 1955 the same ratio to the January inventory of cows as it did in 1945, last year's slaughter would have reduced the inventory of all cattle 3.4 million head instead of allowing an increase of almost one million.

If the development of the cycle to date has not been sufficient to stop the increase, will it do so in the future?

Yes, it will. But it is not at all clear whether the downturn will come soon. It could be next January. Another possibility is that slaughter rates and prices will fluctuate for some time before a peak is passed. Also, apart from other considerations, an extremely severe drought would definitely force a reduction.

The small increase in total cattle inventory during 1955 was a short-term build-up in young slaughter cattle. While total numbers were up 873,000, steer and beef calf numbers advanced 1,521,000. Young stock were retained when (1) ranges improved following June rains; (2) renewed strength in cattle prices rebuilt confidence; (3) feeders found themselves facing a declining market late in the year, and held more steers past December 31 than they had intended. In 1956 this temporary increase in young cattle will almost surely be ended. More young stock will go to slaughter, many directly off grass. Moreover, the trend is toward slaughtering fed cattle at younger age in response to increasing price discounts on older, heavier fed steers. Furthermore, feeders are discovering that steers fed stilbestrol tend to become too heavy before attaining full finish; many will choose in the future to start with lighter and younger feeders. So the past year's build-up in young stock will be absorbed and not repeated.

Longer trends in cattle are governed largely by the changing size of the cow herd, and here no retrenchment is yet clearly in sight. As a result of last year's sizable slaughter of cows and heifers, the number of cows on farms was unchanged this January from a year before. The number of heifers was reduced 4 percent. Of itself the fewer replacement stock would point to a possible small decrease in cow numbers during 1956. But in recent months the rate of cow slaughter has slowed. Since December, the number of cows slaughtered under inspection has been less than in the corresponding month of the previous year. This is too short a period to be fully indicative, but the possibility exists that cow numbers will not be reduced during 1956 unless producers decide to sell at a faster pace than recently.

The cycle is so nearly stabilized that small fluctuations in the size of the calf crop become the governing influence. A projection of cattle inventories and slaughter, made from the best evidence and judgment available, is given in table 13. The data show very little change in inventories the next few years. If the calf crop should decline slightly, a small reduction in inventories at the close of 1956 could be expected. An unchanged calf crop would likely lead to almost unchanged inventories. An advance indication of the size of the calf crop will become available by late summer, when a mid-year calf crop report will be released.

Data in table 13 show further that even with essentially stable numbers of cattle the supply of beef for consumption per person might be expected to ease downward. The consuming population will increase, while average slaughter weights will be reduced from their very high averages of the last 6 or 8 months.

In summary, it appears that while numbers of young stock on farms will readjust quickly the overall cycle, though in a position where it could drop a bit, cannot definitely be said to be yet on a downtrend. To gage the future, an eye will have to be kept on the rate of slaughter of cows in months ahead, as the best single guide to probable trends.

Table 13.- Number of cattle on farms, number slaughtered, and beef supply, 1949-55, forecast for 1956 and projections 1957-60 1/

Year	Number of cattle and calves on farms January 1	Number slaughtered			Dressed weight per head of cattle slaughtered	Beef produced	Beef consumed per person
		Cattle	Calves	Cattle and calves			
	1,000 head	1,000 head	1,000 head	1,000 head	Pounds	Million pounds	Pounds
1949	76,830	18,765	11,398	30,163	503	9,439	63.1
1950	77,963	18,614	10,501	29,115	514	9,534	62.6
1951	82,083	17,084	8,902	25,986	519	8,837	55.3
1952	88,072	18,625	9,388	28,013	520	9,650	61.4
1953	94,241	24,465	12,200	36,665	508	12,407	76.5
1954	95,679	25,889	13,270	39,159	502	12,963	79.0
1955	96,592	26,583	12,866	39,449	512	13,568	80.9
Forecast for 1956 2/	97,465	27,500	13,000	40,500	511	14,050	82.5
	Projections of the cattle cycle 3/						
1957	4/ 97,000	27,250	13,100	40,350	505	13,750	79.0
1958	96,700	27,200	13,100	40,300	505	13,750	77.8
1959	96,400	27,200	13,100	40,300	508	13,850	77.3
1960	96,000						

1/ 1950-55 revised on the basis of the 1950 Census of Agriculture.
2/ Number on farms is preliminary estimate; all other data are forecasts.
3/ Projections under favorable conditions. Very severe drought or drop in demand for beef would step up slaughter and speed the reduction in inventory.
4/ Calculated at a 1956 calf crop 87 percent of the number of cows and 2-year-old heifers on farms, the same as in 1954. If it should be 88 percent, the same as in 1955, the projected inventory would be 97,500,000.

LAMB CONSUMPTION BY STATES

By Harry O. Doty, Jr.
Marketing Research Division, AMS

Sheep and lambs are produced widely throughout the United States. However, they are slaughtered primarily close to large metropolitan areas. In addition, consumption of lamb and mutton is concentrated in a relatively small number of States, and the per capita consumption varies greatly State by State.

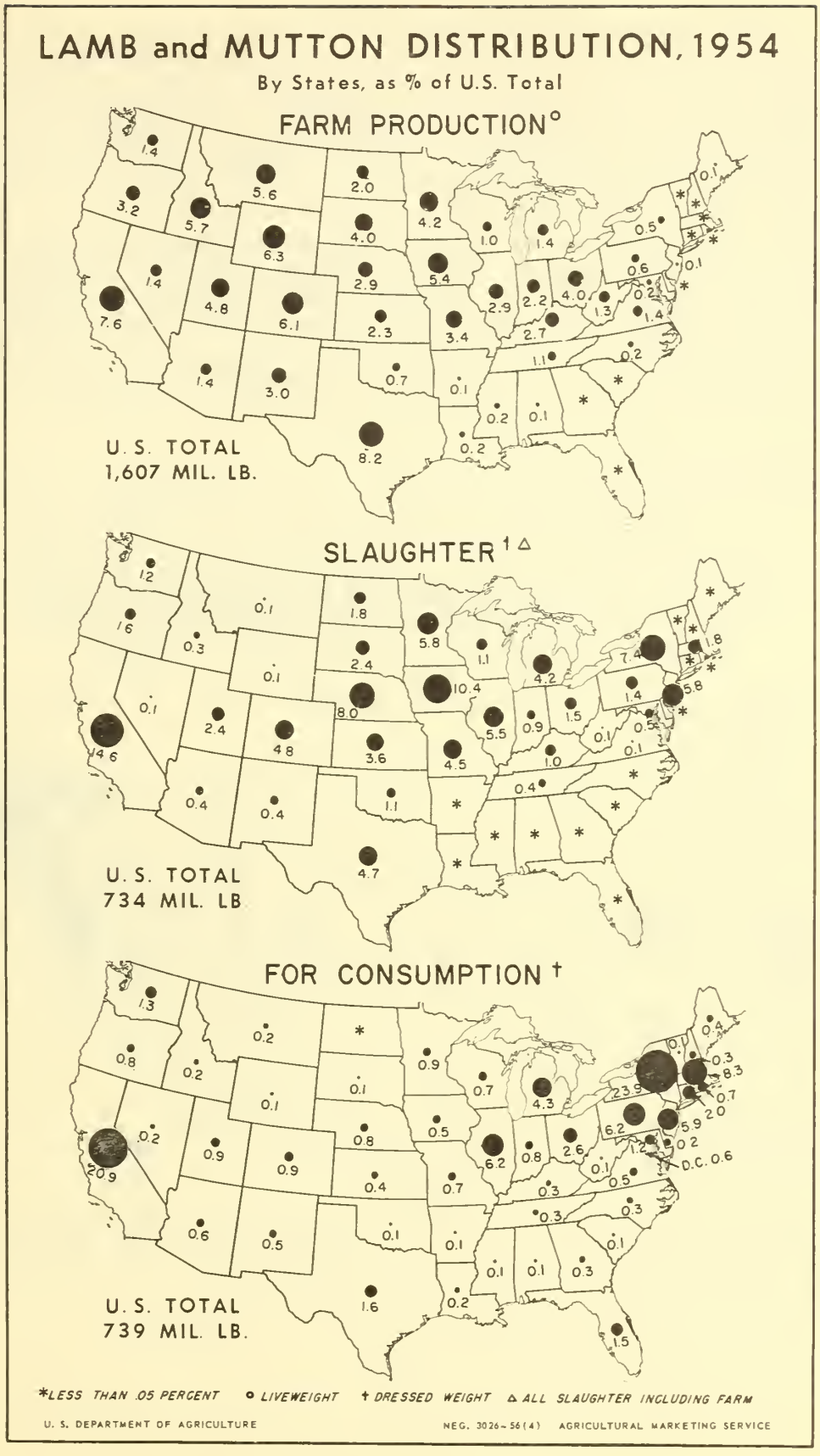
These and other conclusions were drawn from a study conducted by the Agricultural Marketing Service designed to help producers and distributors improve merchandising programs for lamb and mutton. The complete report, Distribution of Lamb and Mutton Consumption in the United States, AMS-93, presents data on distribution of production and consumption by State and region for 1954.

Farm production of sheep and lambs is greatest in the North Central States, Texas and the West. (See top chart, page 27.) It is relatively less important in States along the eastern seaboard and in the South. Texas, the leading State, produced in 1954 8.2 percent of the total liveweight of farm production, more than all Southeastern States combined.

The dressed weight of lamb and mutton produced from all slaughter in 1954 was 734 million pounds. California was the leading State with Iowa second and Nebraska third. Over one-third of the total was produced in the West North Central States. (See middle chart, page 27.) Production from southern slaughter was small.

Estimates of the lamb and mutton available for consumption in each State were made by combining data obtained on quantity and distribution of shipments from federally inspected slaughtering plants with estimates of the quantity of nonfederally inspected production from each State. The bottom chart page 27 shows the high proportion distributed to a few States. Twice as much lamb went to consumers in New York and California as to any other State. New York received 23.9 percent of the United States total and California 20.9 percent. Third was Massachusetts with 8.3 percent. Other States of some importance in the quantity of lamb and mutton distributed to them in 1954, each with 4 to 6 percent of the United States total, were Pennsylvania, Illinois, New Jersey, and Michigan. These seven States took 76 percent of the United States supplies of lamb and mutton available for consumption.

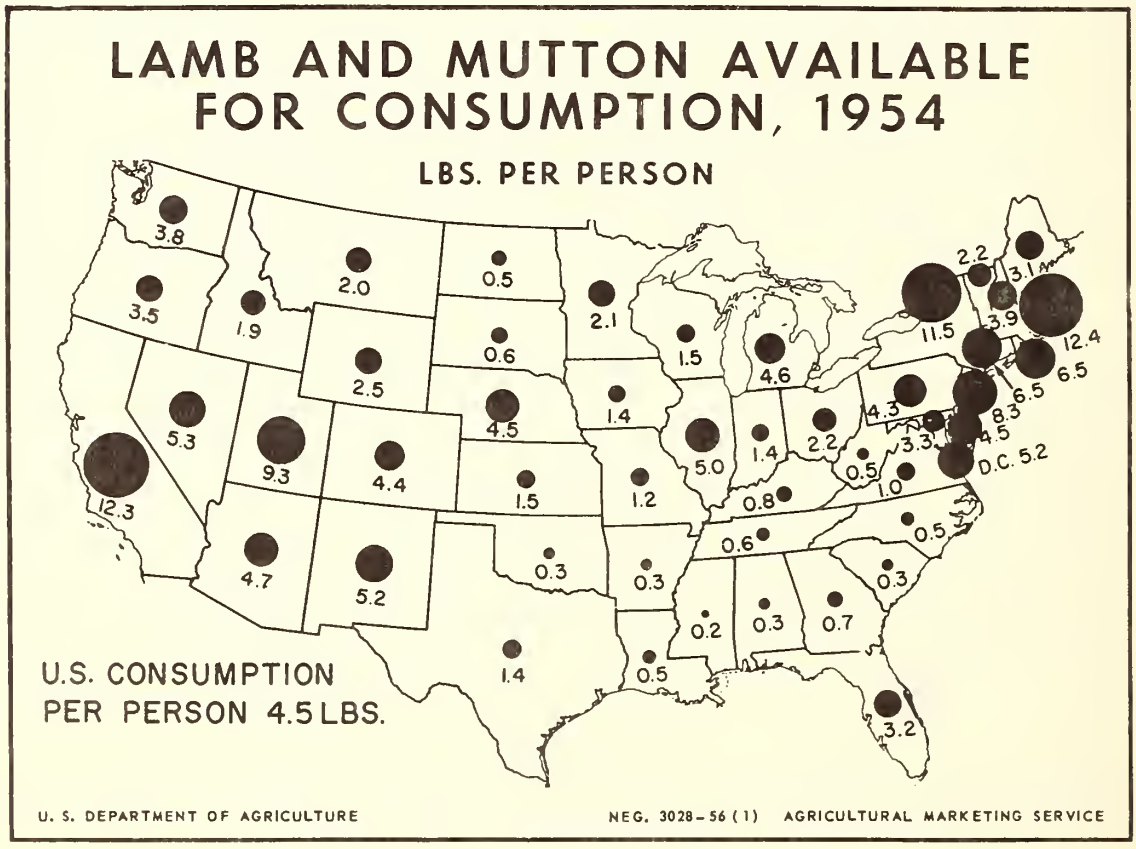
Other States accounted for relatively small quantities of the lamb and mutton consumed in 1954. Vermont, North Dakota, South Dakota, West Virginia, South Carolina, Alabama, Mississippi, Arkansas, Oklahoma, and Wyoming received the smallest quantities.


LAMB and MUTTON DISTRIBUTION, 1954
By States, as % of U.S. Total
FARM PRODUCTION°
U. S. TOTAL
1,607 MIL. LB.
SLAUGHTER 1 △
U. S. TOTAL
734 MIL. LB.
FOR CONSUMPTION †
U. S. TOTAL
739 MIL. LB.
*LESS THAN .05 PERCENT
° LIVEWEIGHT
† DRESSED WEIGHT
△ ALL SLAUGHTER INCLUDING FARM
U. S. DEPARTMENT OF AGRICULTURE
NEG. 3026-56(4) AGRICULTURAL MARKETING SERVICE

In 1954, lamb and mutton provided less than 3 percent of the 26 billion pounds of red meat consumed in this country. Per capita consumption averaged 4.5 pounds out of a total 153.3 pounds of all meat per person. But the estimated data on distribution for consumption reveal extremely large variations in the consumption rate among regions and States. 1/ States range from a high of 12.4 pounds of lamb and mutton per person in Massachusetts to a low of 0.2 pound in Mississippi. (See chart below.)

Closely following Massachusetts' lead was California with 12.3 pounds and New York with 11.5 pounds. Other States with relatively high per capita consumption in 1954 were Utah (9.3 pounds), New Jersey (8.3), Rhode Island (6.5) and Connecticut (6.5). Only 12 States and the District of Columbia had consumption higher than the United States average of 4.5 pounds per capita in 1954. In 9 States half a pound or less of lamb and mutton was consumed per person per year, hardly equivalent to one average size serving.

1/ See original report, figs. 2 and 3, pp. 6 and 7 and table 2 p. 11.



A comparison of the 3 charts on page 27 will show also the relative rank of each State in the raising and slaughter of sheep and lambs and consumption of their products. California, for example, ranks high in all three. In other States this is not true, large quantities of live animals or meat being shipped in or out. Nebraska produced 2.9 percent of all sheep and lambs (liveweight) and 8.0 percent of slaughter (dressed weight). However, that State had 0.8 percent of all lamb and mutton available for consumption, or for its rather small population, 4.5 pounds per person, the national average. New York raised less than 0.5 percent of our sheep and lambs and slaughtered 7.4 percent, while consuming 23.9 percent of all the lamb and mutton produced, or 11.5 pounds per person.

Two releases on beef and pork marketing margins are now available from the Marketing Information Division, Agricultural Marketing Service, USDA. Ask for Misc. Pub. No. 710, Beef Marketing Margins and Costs and Misc. Pub. No. 711, Pork Marketing Margins and Costs

Selected price statistics for meat animals

Item	Unit	1955		1956		
		March	April	February	March	April
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	31.27	28.45	21.90	22.10	
Choice	do.	25.80	24.62	18.88	19.41	
Good	do.	22.12	21.51	16.82	17.37	
Commercial	do.	18.28	18.16	14.71	15.23	
Utility	do.	15.40	15.71	13.27	13.53	
All grades	do.	24.12	23.36	18.85	18.89	
Omaha, all grades	do.	22.74	21.98	17.29	17.90	18.66
Sioux City, all grades	do.	22.41	22.01	17.58	18.07	18.93
Cows, Chicago						
Commercial	do.	13.96	14.70	12.40	13.02	13.37
Utility	do.	12.44	12.92	11.20	11.85	12.12
Canner and Cutter	do.	10.74	11.08	10.04	10.98	10.80
Vealers, Choice and Prime, Chicago	do.	25.66	25.52	27.74	24.35	24.18
Stocker and feeder steers, Kansas City 1/	do.	21.28	21.25	17.04	17.44	17.81
Price received by farmers						
Beef cattle	do.	16.40	16.70	14.00	14.40	15.00
Calves	do.	17.30	17.50	17.00	16.70	16.80
Hogs						
Barrows and gilts						
Chicago						
160-180 pounds	do.	15.84	16.57	12.00	12.35	14.12
180-200 pounds	do.	16.65	17.48	12.77	13.34	15.16
200-220 pounds	do.	16.65	17.49	12.84	13.44	15.44
220-240 pounds	do.	16.52	17.35	12.75	13.45	15.43
240-270 pounds	do.	16.13	16.90	12.31	13.26	15.16
270-300 pounds	do.	15.80	16.47	11.96	13.04	14.87
All weights	do.	16.11	16.90	12.28	12.98	15.13
8 markets 2/	do.	16.09	16.96	12.41	13.20	15.01
Sows, Chicago	do.	14.37	14.51	10.62	11.24	12.84
Price received by farmers	do.	15.50	16.60	12.00	12.30	14.30
Hog-corn price ratio 3/						
Chicago, barrows and gilts	do.	11.0	11.6	9.8	9.8	10.4
Price received by farmers, all hogs	do.	11.4	12.2	10.2	10.2	10.8
Sheep and lambs						
Sheep						
Slaughter ewes, Good and Choice, Chicago	do.	8.23	7.51	7.39	7.81	7.45
Price received by farmers	do.	6.92	6.72	6.00	6.28	6.28
Lambs						
Slaughter, Choice and Prime, Chicago	do.	23.24	22.12	20.39	20.61	21.28
Feeding, Good and Choice, Omaha	do.	20.97	19.83	18.60	18.18	17.25
Price received by farmers	do.	19.90	19.50	17.70	18.10	18.20
All meat animals						
Index number price received by farmers (1910-14=100)		260	269	215	221	237
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	40.23	39.32	33.53	32.70	33.86
Lamb carcass, Choice, 40-50 pounds	do.	42.58	42.65	36.40	37.69	40.54
Composite hog products:						
Including lard						
71.90 pounds fresh	Dollars	18.32	18.98	15.52	15.93	
Average per 100 pounds	do.	25.48	26.40	21.59	22.16	
71.01 pounds fresh and cured	do.	21.46	22.58	19.05	18.88	
Average per 100 pounds	do.	30.22	31.80	26.83	26.59	
Excluding lard						
55.99 pounds fresh and cured	do.	19.17	20.18	16.86	16.71	
Average per 100 pounds	do.	34.24	36.04	30.11	29.84	
Retail, United States average	Cents					
Beef, Choice grade	per pound	69.0	68.7	62.0	60.8	
Pork, excluding lard	do.	48.5	48.6	42.6	42.3	
Index number meat prices (BLS)						
Wholesale (1947-49=100)		80.5	84.2	72.3	70.4	
Retail (1947-49=100) 4/		100.9	101.1	92.7	91.6	

1/ Average all weights and grades.
2/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
3/ Number bushels of corn equivalent in value to 100 pounds of live hogs.
4/ Includes beef and veal, pork, leg of lamb, and other meats. Excludes poultry and fish.

Selected marketing, slaughter and stocks statistics for meat animals and meats

Item	Unit	1955		1956		
		March	April	February	March	April
Meat animal marketings						
Index number (1935-39=100)		166	157	169		
Stocker and feeder shipments to						
9 Corn Belt States	1,000					
Cattle and calves	head	212	272	183	196	
Sheep and lambs	do.	120	156	121	139	
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,524	1,452	1,484	1,566	
Steers	do.	773	737	803	893	
Heifers	do.	261	238	230	255	
Cows	do.	463	444	426	393	
Calves	do.	660	596	586	647	
Sheep and lambs	do.	1,244	1,180	1,163	1,216	
Hogs	do.	5,491	4,472	5,922	6,327	
Percentage sows	Percent	5	8	5	6	
Average live weight per head						
Cattle	Pounds	977	968	1,019	1,008	
Calves	do.	186	197	207	197	
Sheep and lambs	do.	103	100	102	102	
Hogs	do.	239	244	233	231	
Average production						
Beef, per head	do.	542	539	571	569	
Veal, per head	do.	104	110	115	110	
Lamb and mutton, per head	do.	50	48	49	49	
Pork, per head 1/	do.	137	139	131	127	
Pork, per 100 pounds live weight 1/	do.	57	57	56	55	
Lard, per head	do.	35	35	34	36	
Lard, per 100 pounds live weight	do.	14	14	15	15	
Total production	Million					
Beef	pounds	823	779	843	888	
Veal	do.	68	65	67	71	
Lamb and mutton	do.	61	57	57	59	
Pork 1/	do.	750	618	773	804	
Lard	do.	190	158	203	224	
Total commercial slaughter 2/						
Number slaughtered	1,000					
Cattle	head	2,097	1,972	1,999	2,081	
Calves	do.	1,122	974	946	1,033	
Sheep and lambs	do.	1,390	1,326	1,318	1,367	
Hogs	do.	6,778	5,503	7,117	7,532	
Total production	Million					
Beef	pounds	1,085	1,013	1,087	1,131	
Veal	do.	119	109	108	113	
Lamb and mutton	do.	68	63	64	66	
Pork 1/	do.	913	751	925	955	
Lard	do.	221	184	232	254	
Cold storage stocks first of month						
Beef	do.	152	142	212	196	186
Veal	do.	14	13	18	16	17
Lamb and mutton	do.	9	9	11	10	10
Pork	do.	531	544	482	518	512
Total meat and meat products 3/	do.	837	835	858	884	873

1/ Excludes lard.
2/ Federally inspected, and other wholesale and retail.
3/ Includes stocks of sausage and sausage room products, canned meats and canned meat products, and edible offals, in addition to the four meats listed.

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